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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**January 29, 1998**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Woodhaven National Bank  
Charter Number 17816**

**6750 Bridge Street  
Fort Worth, Texas 76112**

**Comptroller of the Currency  
1600 Lincoln Plaza  
500 North Akard Street  
Dallas, Texas 75201-3394**

**NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of Woodhaven National Bank prepared by The Office of the Comptroller of the Currency, the institution's supervisory agency, as of January 29, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

**INSTITUTION'S CRA RATING:** This institution is rated Satisfactory.

The lending performance of Woodhaven National Bank (WNB) reflects satisfactory responsiveness to the credit needs of the community served. This assessment is based on the following:

- ▶ The loan-to-deposit ratio is reasonable and exceeds the ratios of area banks of similar size.
- ▶ The distribution of loans reasonably penetrates the different income levels.
- ▶ Lending patterns are reasonably distributed throughout the assessment area.
- ▶ The bank received 1 complaint regarding CRA efforts and responded in an appropriate manner.

The following table indicates the performance level of Woodhaven National Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<b>Woodhaven National Bank PERFORMANCE LEVELS</b>		
	<b>Exceeds Standards for Satisfactory Performance</b>	<b>Meets Standards for Satisfactory Performance</b>	<b>Does not meet Standards for Satisfactory Performance</b>
Loan to Deposit Ratio	✘		
Lending in Assessment Area			✘
Lending to Borrowers of Different Incomes and to businesses of Different sizes		✘	
Geographic Distribution of Loans		✘	
Response to Complaints		✘	

## **DESCRIPTION OF INSTITUTION**

WNB is a locally owned and managed community bank with total assets of \$70 million as of September 30, 1997. There are no other bank-related affiliates. The bank offers a variety of credit products including consumer, real estate, commercial, and Small Business Association (SBA) credits. The bank also offers the typical deposit accounts such as checking, savings, NOW, money market, and other time accounts. WNB also offers ease of banking through a locally placed ATM. WNB's financial condition does not inhibit its ability to meet credit needs in its assessment area. Additionally, the bank has no legal impediments that would inhibit its ability to meet community credit needs.

WNB's asset mix consists of 67% loans and 26% investment securities. The loan portfolio is comprised primarily of commercial real estate loans (43%) and commercial loans (32%), with loans to individuals and 1-4 family mortgage loans at 13% and 12% respectively. The bank actively participates in the SBA guaranteed loan program and currently has 60 SBA loans with balances totaling \$8 million. Of these loans, 22 totaling \$3.7 million were originated in 1997. The bank also is an active interim construction lender (included in the commercial real estate loan total above).

## **DESCRIPTION OF THE ASSESSMENT AREA**

The assessment area is currently defined as 14 whole and contiguous census tracts in east central Fort Worth, Texas. These census tracts are in Tarrant County, Texas, and are a part of the Fort Worth/Arlington Metropolitan Statistical Area (MSA). The breakdown by income level of these census tracts is as follows:

	<u>#</u>	<u>%</u>
Low Income	1	7
Moderate Income	5	36
Middle Income	6	43
Upper Income	2	14

1990 US Census Bureau data.

The low- and moderate-income census tracts are located primarily in the western portion of the assessment area. Community contacts with local civic and business leaders indicate there are no unmet credit needs in the assessment area.

The primary employers identified are the Fort Worth school district, the various financial institutions and the numerous retail businesses in the area.

The population in the defined assessment area totals 54,966 and contains a large minority contingency. The racial mix is broken down as follows:

White	34,040	62%
Black	15,031	27%
Hispanic	4,705	9%
Other	1,190	2%

1990 US Census Bureau data

The economic focus is retail as there are numerous small businesses lining the main highways and other traffic arteries. Competition is active and includes branches of regional and independent banks. The median family income is \$50,400. Unemployed labor is low at 4%.

### **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

#### *Loan-to-Deposit Ratio*

WNB's loan-to-deposit (LTD) ratio is high and compares favorably to the many other banks in Tarrant County. As of September 30, 1997, WNB's ratio was 74% with a quarterly average LTD ratio, for the past 2 years, of 77%. This is well above the LTD ratios of the majority of the other banks in Tarrant County, which range from a high of 80% to a low of 24%. Of the 29 state and national banks in Tarrant County, WNB's LTD ratio was the third highest. Competition for loans is strong within the assessment area and other surrounding areas.

#### *Lending Within the Assessment Area*

The majority of loans are not made within the assessment area. At September 30, 1997, the bank's loan portfolio contained 1,395 loans totaling \$47 million. Of these loans, 28% of the number and 18% of the dollar amount are within the defined assessment area. Of the loans generated in 1997 alone, 29% of the number and 37% of the dollar amount are within the assessment area. This level of lending within the assessment area is a result of the following factors:

- A significant portion of the assessment area is largely developed. As a result, the area does not attract many businesses or generate much new home construction (the bank's two major lines of business). There are credit needs in the community and the bank works to meet these needs. Most of these needs, however, are of a smaller consumer or business nature.
- Information from a community contact revealed that many assessment area borrowers' inability to repay and/or lack of collateral significantly limit any lender's ability to extend credit within the assessment area.

- The assessment area is relatively small as originally defined. Management is reviewing the bank's lending patterns in order to redraw the assessment area to more closely match the bank's primary trade area.
- The bank's active SBA and interim construction lending activities attract customers from throughout the metropolitan area.

Loan Distribution to the Various Income Levels

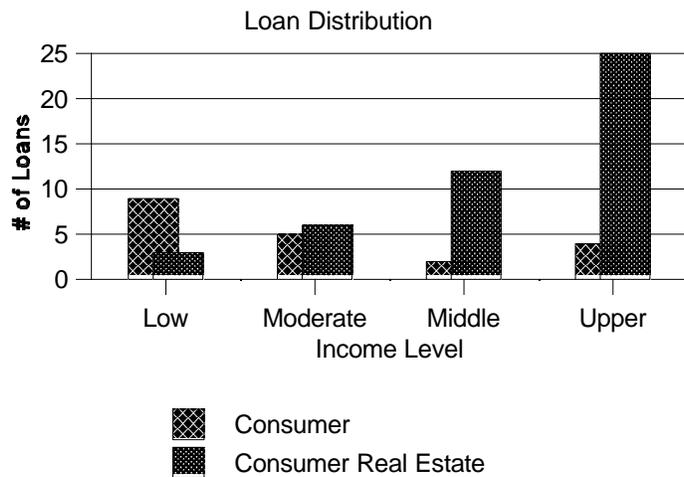
The bank demonstrates good lending performance in the distribution to the different income levels. Borrowers' income is not an item that is tracked by management. To assess this factor we reviewed a number of loan files to accumulate sufficient information to reach a conclusion. The results of our review are noted below.

As revealed in the chart, the bank's efforts to meet the credit needs of low- and moderate-income consumer borrowers are good. This is largely the result of the bank's willingness to make small dollar loans, many of which may not be profitable. The bank has no minimum loan amount and recognizes the need for this type of credit. This need is particularly acute given the high level of low- and moderate-income families within the assessment area. We found many small dollar loans were generally made to low- and moderate-income borrowers who cannot qualify for credit card loans.

Currently, the bank has 128 loans in its portfolio with originating balances less than \$1,500 and many of these had originating balances below \$1,000. Of these loans 51, or 40%, were originated in 1997 and 1998 year-to-date.

The consumer real estate loans reflect a little different distribution. While the income levels on the majority of these loans fall in the upper income category, these numbers are somewhat misleading. In a majority of instances, there was a borrower and co-borrower. Both the borrower and co-borrower were employed and were contributing to the overall income noted in the applications. Individually, the incomes would fall into the moderate and/or middle income categories. However, when combined, the resulting income was classified as upper income.

## Woodhaven National Bank



In reviewing small business loans, we obtained income information on 20 entities. We found that 15, or 75%, were to small businesses with annual revenues of \$1 million or less indicating appropriate efforts to assist the small business community.

Geographic Distribution

The bank periodically analyzes the geographic distribution of its loans. The most recent analysis, as of January 13, 1998, indicates a reasonable distribution of loans in the assessment area. This analysis is reflected in the following:

<u>Income Level</u>	<u># of Loans</u>	<u>% of Total</u>	<u>\$ Amount of Loans</u>	<u>% of Total</u>
Low	5	1.3	76	0.9
Moderate	180	47.1	4,611	53.3
Middle	162	42.4	3,357	38.8
Upper	35	9.2	604	7.0

The data clearly reflects the bank's willingness to extend credit to all census tracts, including low- and moderate-income tracts.

Response to Complaints

Since the previous CRA examination, the bank has received one complaint regarding its efforts to meet the credit needs of the community. Management addressed the complaint and responded in an appropriate manner.

Fair Lending

We performed a fair lending examination at the same time as our review of CRA. We noted no instance of discrimination or disparate treatment of borrowers from this review. We also noted the bank to be in compliance with the antidiscrimination laws.